

## Millennium Challenge Corporation



### VANUATU

Vanuatu was selected to participate in the Millennium Challenge Account program in fiscal years 2004-2006.



#### **General Statistics:**

**Population:** 214,969

**Location:** Oceania, group of islands in the South Pacific Ocean

**Capital City:** Port Vila

**Relative Size:** slightly larger than Connecticut

#### **Economic Statistics:**

**GNI Per Capita:** \$1,340

**Gross Domestic Product:** \$316.3 million

**GDP Growth Rate:** 3%

#### **Compact Goal**

The proposed five-year Compact addresses the country's poor transportation infrastructure. Consisting of up to eleven infrastructure projects—including roads, wharfs, an airstrip and warehouses—the program aims to benefit poor, rural agricultural producers and providers of tourist related goods and services by reducing transportation costs and improving the reliability of access to transportation services.

#### **Expected Results**

The MCC program is expected to have a transformative impact on Vanuatu's economic development by increasing average income per capita by 15% within 5 years and directly impacting the lives of more than 65,000 poor, rural inhabitants. The Compact also includes institutional strengthening efforts and policy reform initiatives in Vanuatu's Public Works Department, namely: provision of plant and equipment for maintenance; introduction of service performance contracts; establishment of local community maintenance schemes; and introduction of user fees. These efforts aim to ensure the sustainable operation and maintenance of Vanuatu's entire transport infrastructure network, not only those assets built or rehabilitated with MCC funds.

#### **Update on Progress**

- The MCC Board approved the Vanuatu Compact in January 2006.
- MCA-Vanuatu has been established as a legal entity, and will be supervised by a Steering Committee comprised of both government and non-government stakeholders.
- Compact signing is scheduled for early March 2006.